



DEPARTMENT OF THE ARMY
OFFICE OF THE CHIEF OF ENGINEERS
WASHINGTON, D.C. 20310-2600

**REPLY TO
ATTENTION OF**

CECW-PM (1105-2-10a)

28 JUL 2003

SUBJECT: Peoria Riverfront Development, Illinois

THE SECRETARY OF THE ARMY

1. I submit for transmission to Congress my report on ecosystem restoration in the vicinity of Peoria, Illinois. It is accompanied by the report of the Rock Island District Engineer and the Mississippi Valley Division Engineer. These reports are in final response to a resolution by the Committee on Transportation and Infrastructure of the House of Representatives, adopted on 9 May 1996. The study resolution requested a review of "the report of the Chief of Engineers on the Peoria Lake and LaGrange Pool, Illinois River, Henry to Naples, Illinois, and other pertinent reports, with a view to determining whether the recommendations contained therein should be modified at this time, with particular reference to that portion of the Illinois River between Henry and Naples that flows next to, or directly impacts, the downtown Peoria Riverfront Development project, to determine potential flood control or other water resources impacts, if any, that may affect the development efforts, to include but not be limited to a study of the siltation problem caused by sediment deposition from Farm Creek into the Illinois River, as well as the potential use of suitable dredged material for development of a public beach." Preconstruction engineering and design activities for the Peoria Riverfront Development, Illinois, project will be continued under this authority.

2. The reporting officers recommend authorization of a plan to restore the ecosystem in Peoria Lake on the Illinois River in the vicinity of Peoria, Illinois, by improving habitat for fish, wildlife and waterfowl. The recommended plan consists of dredging 55 acres to create aquatic habitat and using the dredged material to create an island with 21 acres of terrestrial habitat in Peoria Lake above McClugage Bridge, and dredging 144 acres to create aquatic habitat and using the dredged material to create two islands with a total of 54 acres of terrestrial habitat in Peoria Lake below McClugage Bridge. The recommended plan also includes post-construction monitoring to help ensure project performance. All features are in Illinois. Since the recommended plan would not have any significant adverse effects, no mitigation measures (beyond management practices and avoidance) or compensation measures would be required. The recommended plan is the national ecosystem restoration plan.

3. Based on October 2002 price levels, the total first cost of the plan is estimated at \$15,182,000, all for ecosystem restoration. In accordance with the cost sharing provisions of the Water Resources Development Act (WRDA) of 1986, as amended by Section 210 of WRDA 1996, the

Federal share of total project cost would be about \$9,868,000 (65 percent) and the non-Federal share would be about \$5,314,000 (35 percent). The Illinois Department of Natural Resources (IDNR) is the non-Federal cost sharing sponsor for all features of the plan. The IDNR would also be responsible for the operation, maintenance, repair, replacement, and rehabilitation (OMRR&R) of the project after construction, a cost currently estimated at \$11,000 per year. Average annual costs, including initial construction, monitoring and OMRR&R, are \$1,060,000 based on an interest rate of 5.875 percent and a 25-year period of analysis.

4. To ensure that an efficient ecosystem restoration plan was recommended, cost effectiveness and incremental cost analysis techniques were used to evaluate the alternative plans. The cost of the recommended features is justified by restoring 675 average annual habitat units of aquatic habitat, and 125 average annual habitat units of shoreline and terrestrial habitat on the three new islands. Aquatic habitat losses due to sedimentation are the greatest threat to the health of the Illinois River basin and specifically Peoria Lake. The restored aquatic habitat would be especially valuable for helping to reestablish the health of the Illinois River, once a nationally renowned fishery. The Illinois River valley is part of the internationally significant Mississippi Flyway, a major migration route for waterfowl, shorebirds, and neotropical migrant birds. The restored shoreline and terrestrial habitats would be especially valuable as resting, nesting, and feeding areas for these migratory birds.

5. Washington level review indicates that the plan recommended by the reporting officers is environmentally justified, technically sound, cost effective and socially acceptable. The plan conforms with essential elements of the U.S. Water Resources Council's Economic and Environmental Principles for Water and Related Land Resources Implementation studies and complies with other administration and legislative policies and guidelines. Also, the views of interested parties, including Federal, State, and local agencies have been considered.

6. I concur in the findings, conclusions and recommendations of the reporting officers. Accordingly, I recommend that the plan described herein for ecosystem restoration be authorized for implementation as a Federal project, with such modifications as in the discretion of the Chief of Engineers may be advisable, and subject to cost sharing, financing, and other applicable requirements of Federal and State laws and policies, including WRDA 1986, as amended by Section 210 of WRDA 1996, and in accordance with the following requirements which the non-Federal sponsor must agree to prior to project implementation:

a. Provide 35 percent of the separable project costs allocated to environmental restoration as further specified below:

(1) Enter into an agreement that provides, prior to execution of a project cooperation agreement for the project, 25 percent of design costs;

(2) Provide, during construction, any additional funds needed to cover the non-Federal share of design costs;

(3) Provide all lands, easements, and rights-of-way, including suitable borrow and dredged or excavated material disposal areas, and perform or ensure the performance of all relocations determined by the Government to be necessary for the construction, operation, and maintenance of the project;

(4) Provide or pay to the Government the cost of providing all retaining dikes, wasteweirs, bulkheads, and embankments, including all monitoring features and stilling basins, that may be required at any dredged or excavated material disposal areas required for the construction, operation, and maintenance of the project; and

(5) Provide, during construction, any additional costs as necessary to make its total contribution equal to 35 percent of the separable project costs allocated to environmental restoration.

b. For so long as the project remains authorized, operate, maintain, repair, replace, and rehabilitate the completed project, or functional portion of the project, at no cost to the Government, in accordance with applicable Federal and State laws and any specific directions prescribed by the Government.

c. Give the Government a right to enter, at reasonable times and in a reasonable manner, upon land which the local sponsor owns or controls for access to the project for the purpose of inspection and, if necessary, for the purpose of completing, operating, maintaining, repairing, replacing, or rehabilitating the project.

d. Comply with Section 221 of Public Law 91-611, Flood Control Act of 1970, as amended, and Section 103 of the Water Resources Development Act of 1986, Public Law 99-662, as amended, which provide that the Secretary of the Army shall not commence the construction of any water resources project, or separable element thereof, until the non-Federal sponsor has entered into a written agreement to furnish its required cooperation for the project or separable element.

e. Hold and save the Government free from all damages arising from the construction, operation, maintenance, repair, replacement, and rehabilitation of the project and any project-related betterments, except for damages due to the fault or negligence of the Government or the Government's contractors.

f. Keep and maintain books, records, documents, and other evidence pertaining to costs and expenses incurred pursuant to the project to the extent and in such detail as will properly reflect

CECW-PM (1105-2-10a)

SUBJECT: Peoria Riverfront Development, Illinois

total project costs for a minimum of three years after completion of the accounting for which such books, records, documents, and other evidence are required.

g. Perform, or cause to be performed, any investigations for hazardous substances that are determined necessary to identify the existence and extent of any hazardous substances regulated under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA), 42 U.S.C. 9601-9675, that may exist in, on, or under lands, easements, or rights-of-way necessary for the construction, operation, and maintenance of the project; except that the non-Federal sponsor shall not perform such investigations on lands, easements, or rights-of-way that the Government determines to be subject to the navigation servitude without prior specific written direction by the Government.

h. Assume complete financial responsibility for all necessary cleanup and response costs of any CERCLA-regulated materials located in, on, or under lands, easements, or rights-of-way that the Government determines necessary for the construction, operation, or maintenance of the project.

i. To the maximum extent practicable, operate, maintain, repair, replace, and rehabilitate the project in a manner that will not cause liability to arise under CERCLA.

j. Prevent obstructions of, or encroachments on, the project (including prescribing and enforcing regulations to prevent such obstructions or encroachments) that might reduce the ecosystem restoration, hinder its operation and maintenance, or interfere with its proper function, such as any new development on project lands or the addition of facilities that would degrade the benefits of the project.

k. Comply with the applicable provisions of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, Public Law 91-646, as amended by Title IV of the Surface Transportation and Uniform Relocation Assistance Act of 1987 (Public Law 100-17), and the Uniform Regulations contained in 49 CFR part 24, in acquiring lands, easements, and rights-of-way, and performing relocations for construction, operation, and maintenance of the project, and inform all affected persons of applicable benefits, policies, and procedures in connection with said act.

l. Comply with all applicable Federal and State laws and regulations, including Section 601 of the Civil Rights Act of 1964, Public Law 88-352, and Department of Defense Directive 5500.11 issued pursuant thereto, as well as Army Regulation 600-7, entitled "Nondiscrimination on the Basis of Handicap in Programs and Activities Assisted or Conducted by the Department of the Army," and all applicable Federal labor standards and requirements, including but not limited to 40 U.S.C. 3141-3148 and 40 U.S.C. 3708 (revising, codifying and enacting without substantial change the provisions of the Davis-Bacon Act (formerly 40 U.S.C. 276a et seq.), the

CECW-PM (1105-2-10a)

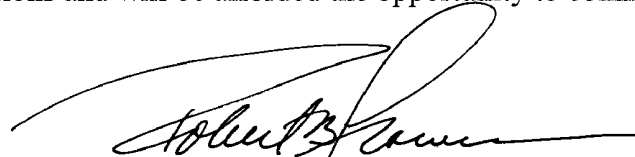
SUBJECT: Peoria Riverfront Development, Illinois

Contract Work Hours and Safety Standards Act (formerly 40 U.S.C. 327 et seq.) and the Copeland Anti-Kickback Act (formerly 40 U.S.C. 276c).

m. Provide the non-Federal share of that portion of the costs of mitigation and data recovery activities associated with historic preservation that are in excess of 1 percent of the total amount authorized to be appropriated for the project, in accordance with the cost-sharing provisions of the agreement.

n. Do not use Federal funds to meet the non-Federal sponsor's share of total project costs unless the Federal granting agency verifies in writing that the expenditure of such funds is authorized.

7. The recommendation contained herein reflects the information available at this time and current departmental policies governing formulation of individual projects. It does not reflect program and budgeting priorities inherent in the formulation of a national civil works construction program or the perspective of higher review levels within the executive branch. Consequently, the recommendation may be modified before it is transmitted to the Congress as a proposal for authorization and implementation funding. However, prior to transmittal to the Congress, the State of Illinois as sponsor, interested Federal agencies, and other parties will be advised of any significant modifications and will be afforded the opportunity to comment further.



ROBERT B. FLOWERS
Lieutenant General, U.S. Army
Chief of Engineers